

(b1) All requests for financial aid for the purpose of constructing or renovating any State building, utility, or other property development (except a railroad, highway, or bridge structure) shall be accompanied by a certification from the Department of Administration as outlined in G.S. 143-341. The General Assembly may provide advanced planning funds but shall only provide construction funds when the requirements of this subsection have been met. This subsection shall not apply to requests for appropriations of less than one hundred thousand dollars (\$100,000).

(c) On or before the first day of September in the even-numbered years, each of the departments, bureaus, divisions, officers, boards, commissions, institutions, and other State agencies receiving or asking financial aid or support from the State, under the authority of any general law of the State, shall furnish the Director with the following information:

- (1) The amount of State funds disbursed in the immediately preceding two fiscal years and the purpose for which the funds were disbursed and used, the amount being requested as continuation funds for the upcoming fiscal year, and the justification for continued State support; and
- (2) Justification for continued State support shall include information on the extent of the public benefit being derived from State support."

Section 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2nd day of July, 1998.

Became law upon approval of the Governor at 5:25 p.m. on the 15th day of July, 1998.

S.B. 452

SESSION LAW 1998-46

AN ACT TO CLARIFY LOCAL GOVERNMENT AUTHORITY TO REGULATE THE LOCATION AND OPERATION OF SEXUALLY ORIENTED BUSINESSES.

The General Assembly of North Carolina enacts:

Section 1. Chapter 160A of the General Statutes is amended by adding the following new section:

"§ 160A-181.1. Regulation of sexually oriented businesses.

(a) The General Assembly finds and determines that sexually oriented businesses can and do cause adverse secondary impacts on neighboring properties. Numerous studies that are relevant to North Carolina have found increases in crime rates and decreases in neighboring property values as a result of the location of sexually oriented businesses in inappropriate locations or from the operation of such businesses in an inappropriate manner. Reasonable local government regulation of sexually oriented businesses in order to prevent or ameliorate adverse secondary impacts is consistent with the federal constitutional protection afforded to nonobscene but sexually explicit speech.

(b) In addition to State laws on obscenity, indecent exposure, and adult establishments, local government regulation of the location and operation of